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Press Release **2nd April 2014**

Boost for Entrepreneurs – Global Venture Capital Investment Hits Highest Quarterly Value Since Financial Crisis

Aggregate value of venture capital financings in Q1 2014 was $15.6bn, the highest amount for any quarterly period since 2008

In Q1 2014, there were 1,402 venture capital financings globally with an aggregate value of $15.6bn, representing the highest quarterly value since the financial crisis in 2008. This surpasses the previous high of $14.9bn in Q2 2011 and is a significant increase from $10.0bn for the first quarter of 2013.

However, the number of venture capital financings has fallen consistently over recent quarters, dropping from 1,724 deals in Q2 2013 to 1,402 in Q1 2014. As a result, the average size of venture capital investments has increased from $7.0mn in Q2 2013 to $11.1mn in the first quarter of 2014.

Other Key Facts:

- North America witnessed an increase in the aggregate value of venture capital financings in Q1 2014 at $10.6bn, compared to $8.6bn the previous quarter.
- Greater China also saw an increase in the aggregate value of deals from $800mn in Q4 2013 to $2.0bn in Q1 2014 as a result of several large financings.
- Both the number and value of European venture deals dropped in Q1 2014 compared to the previous quarter. 313 venture capital deals were announced in Europe valued at $2.0bn, compared to 330 deals valued at $3.4bn in Q4 2013.
- Angel/seed deals remain the most abundant investment stage for the quarter, accounting for 19% of deals in Q1 2014, with 16% being series A, and growth capital/expansion deals representing 5%.
- The average angel/seed financing round so far in 2014 is $1.4mn, the highest figures since 2008 and the first time this figure has exceeded $1.1mn since 2008.
- The highest number of deals continues to come from the internet sector, accounting for 27% of the number of deals in Q1 2014. This quarter, internet deals also accounted for the highest value of all venture capital deals of any sector at 30%, up from 24% in Q4 2013, surpassing software and related deals.

For more information and analysis, please see the following fact sheet

Comment:

"A welcome boost for entrepreneurs and small companies worldwide has come at the start of 2014, as venture capital investment is at its highest level since the financial crisis. A total of $15.6bn was invested into venture capital opportunities during the first quarter of 2014, higher than any other quarter since the start of 2008. While this will be welcome to firms that have received funding, it has come at a cost: far fewer companies acquired investment.

Even though the majority of investment was in North American companies, there seems to be a rejuvenation of the Chinese venture capital industry, with $2.0bn worth of deals being announced, almost topping the $2.3bn which was invested in the whole of 2013."

Ignatius Fogarty, Head of Private Equity Products - Preqin

Note to Editors:

- Preqin is spelled without the letter 'U' after the 'Q', the company name being an amalgamation of the former name, Private Equity Intelligence.

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About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin's services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: www.preqin.com

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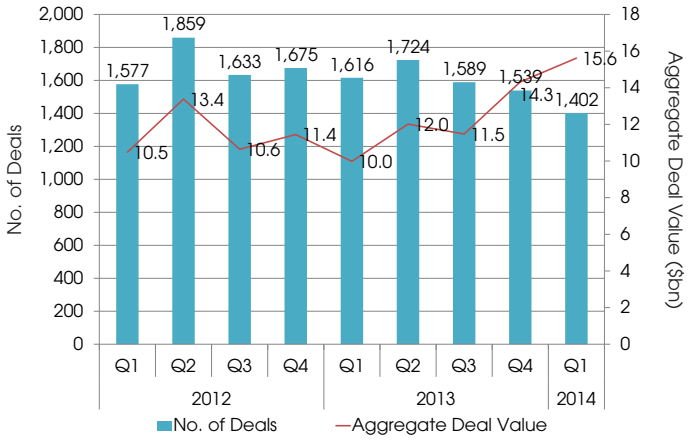
Q1 2014 Venture Capital Deals Fact Sheet

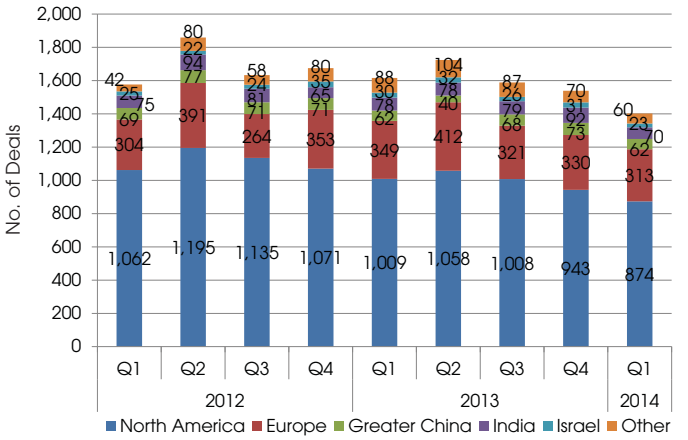
April 2014

Fig. 1: Number and Aggregate Value of Venture Capital Deals*, Q1 2012 - Q1 2014



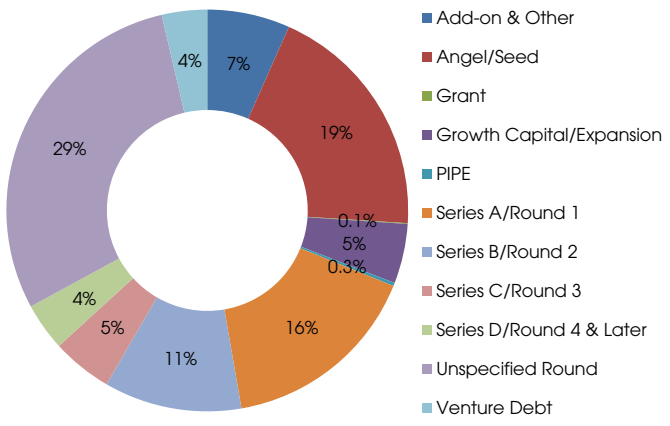
Source: Preqin Venture Deals Analyst

Fig. 2: Number of Venture Capital Deals* by Region, Q1 2012 - Q1 2014



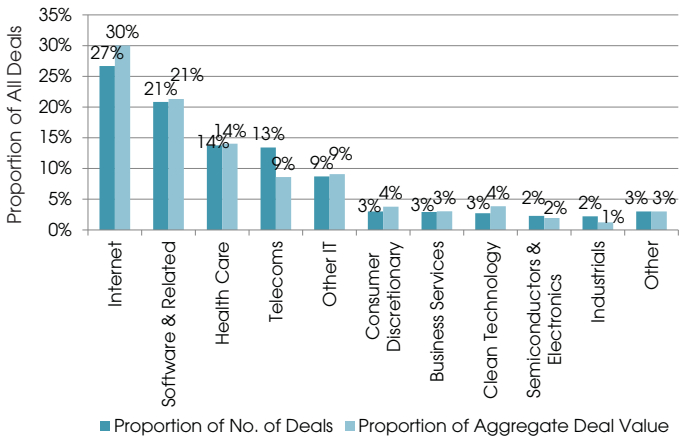
Source: Preqin Venture Deals Analyst

Fig. 3: Proportion of Number of Venture Capital Deals* by Stage, Q1 2104



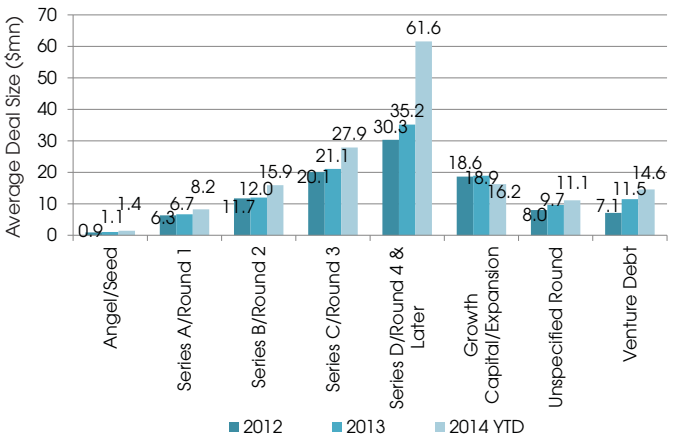
Source: Preqin Venture Deals Analyst

Fig. 4: Proportion of Number & Aggregate Deal Value of Venture Capital Deals* by Industry, Q1 2014



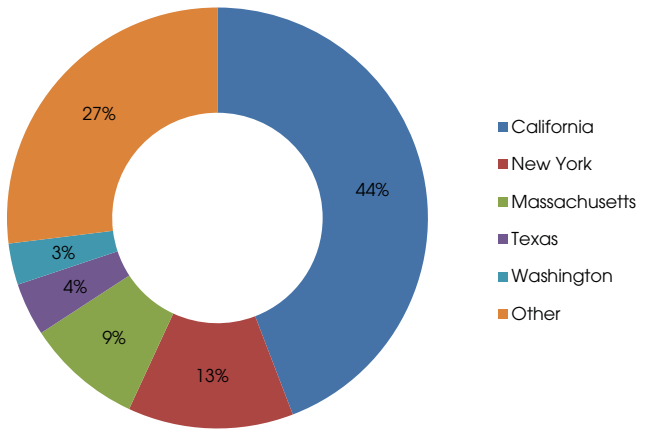
Source: Preqin Venture Deals Analyst

Fig. 5: Average Value of Venture Capital Deals, 2012 - Q1 2014



Source: Preqin Venture Deals Analyst

Fig. 6: Proportion of Number of US Venture Capital Deals by State, Q1 2014



Source: Preqin Venture Deals Analyst

** Figures exclude add-ons, grants, mergers, venture debt and secondary stock purchases*

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Fig. 7: Top 10 Venture Capital Deals, Q1 2014

Portfolio Company Name	Deal Date	Stage	Deal Size (mn)	Investors	Primary Industry	Location
Cloudera	Mar-14	Series F/Round 6	740 USD	Intel Corporation	Software	US
DianPing	Feb-14	Unspecified Round	400 USD	Tencent	Internet	China
Dropbox	Feb-14	Series C/Round 3	350 USD	BlackRock, Index Ventures, Morgan Stanley Alternative Investment Partners, T Rowe Price	Internet	US
Tango	Mar-14	Series D/Round 4	280 USD	Access Industries, Alibaba Group, Draper Fisher Jurvetson, Qualcomm Ventures, TOMS Capital, TransLink Capital	Telecoms	US
JD.com	Mar-14	Pre-IPO	214 USD	Tencent	Internet	China
Mmb.cn	Mar-14	Unspecified Round	200 USD	MediaTek Inc., Sequoia Capital, Tencent	Internet	China
Cloudera	Mar-14	Series F/Round 6	160 USD	Google Ventures, MSD Capital, T Rowe Price	Software & Related	US
Wayfair	Mar-14	Series B/Round 2	157 USD	T Rowe Price	Internet	US
Nest Labs	Jan-14	Series D/Round 4	150 USD	DST Global, Generation Investment Management, Google Ventures, Kleiner Perkins Caufield & Byers, Lightspeed Venture Partners, Shasta Ventures, Venrock	Energy and Util.	US
Snapdeal.com	Feb-14	Series E/Round 5	134 USD	Bessemer Venture Partners, eBay Inc., Intel Capital, Kalaari Capital, Nexus Venture Partners, Saama Capital	Internet	India

Source: Preqin Venture Deals Analyst

Fig. 8: Top Five Venture Capital Exits, Q1 2014

Name	Date of First Investment	Investors (Entry)	Total Known Funding (mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	Industry	Location
WhatsApp	Jun-09	Accel Partners, DST Global, Elevation Partners, Facebook, Firsthand Capital Management, General Atlantic, Goldman Sachs, Greylock Partners, GSV Capital, Hercules Technology Growth Capital, Meritech Capital Partners, Microsoft, Sequoia Capital, T Rowe Price, The Founders Fund Management, TriplePoint Capital	19,710 USD	Trade Sale	Feb-14	Facebook	19,560 USD	Telecoms	US
Nest Labs	Sep-10	DST Global, Generation Investment Management, Google Ventures, Intertrust Group Holding, Kleiner Perkins Caufield & Byers, Lightspeed Venture Partners, Shasta Ventures, Venrock	230 USD	Trade Sale	Jan-14	Google Inc.	3,200 USD	Energy and Util.	US
Oculus VR	Aug-12	Accel Partners, Andreessen Horowitz, DST Global, Elevation Partners, Facebook, Firsthand Capital Management, Formation8, Founders Fund, General Atlantic, Goldman Sachs, Greylock Partners, GSV Capital, Hercules Technology Growth Capital, Kickstarter, Inc., Matrix Partners, Meritech Capital Partners, Microsoft, Spark Capital, T Rowe Price, The Founders Fund Management, TriplePoint Capital	2,093 USD	Trade Sale	Mar-14	Facebook	2,000 USD	Other IT	US
AirWatch	Feb-13	Accel Partners, Insight Venture Partners	225 USD	Trade Sale	Jan-14	VMware	1,540 USD	Software & Related	US
Cadence Pharmaceuticals, Inc.	Oct-05	Bay City Capital, BB Biotech Ventures, CDIB BioScience Venture Management, Domain Associates, Frazier Healthcare Ventures, GE Capital, New Enterprise Associates, Oxford Finance Corporation, ProQuest Investments, Silicon Valley Bank, T Rowe Price, Technology Partners, Venrock, Versant Ventures, Windamere Venture Partners	252 USD	Trade Sale	Feb-14	Mallinckrodt, Inc.	1,400 USD	Health Care	US

Source: Preqin Venture Deals Analyst